

Fearnleys Weekly Report

Week 1 - January 04, 2023

Printer version

Tankers

Comments

VLCC

It's been a lackluster start to the New Year in the VLCC segment and lack of fresh enquiries and transparency is weighing on the sentiment. The change in WS flat rates, considerably up from last year, is exacerbating the picture rather than improving in it. However, daily earnings are still ranging from low USD 30's and into the USD 40's/day for the most modern scrubber fitted units. TD3C is probably not more than WS 65-67.5 in 2022 "money" at the writing moment and will be further tested. But, although further downwards pressure persists owners will likely resist dragging things down to last year's lows.

Suezmax

This week the Suezmax market has been a tale of two hemispheres. In the East, rates have rebounded on the back of a very busy first decade for 20-ton crane requirement which has considerably trimmed the early side of the list for the second decade meaning that MEG/China is likely to trade around the WS 190 level whilst TD23 is WS 90 with a firmer feel. The Atlantic basin is proving not to be as fruitful with lists well stocked for all load-zones against a backdrop of very little surface activity. TD20 is in danger of slipping into WS 120's territory unless we see an influx of sustained activity today. The one silver lining is the Med' Aframax market which is beginning to take a bite at Suezmax tonnage, but this is unlikely to yield bumper returns for owners, but it may stop the rot. All rates basis 2022 WS.

Aframax

Aframax rates in the Nsea have been under constantly downward pressure over xmas and at the start of the new year due as a lot of cargoes been covered on own relets. Going forward we expect rates to continue sideways, but with a softish undertone as charterers could combine Nsea stems by lifting cargoes on either Suezmax or VLCCs. In the Med/Bsea, rates seem to have hit the bottom after losing about 200 points during the last two weeks. Charterers fixing forward, vessels ballasting away and being fixed for long-haul runs have shrunk the tonnage list for normal fixing window. We expect rates to move sideways with a positive note for next week, however Suezmax could possibly limit any upward pressure by capping Afras and fixing part cargoes.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 47.5	-4.5 ↓
MEG/Japan (280 000)	WS 66.5	-4.5 ↓
MEG/Singapore (280 000)	WS 67.5	-6.5 ↓
WAF/FEAST (260 000)	WS 67.5	-6.5 ↓
WAF/USAC (130 000)	WS 130.0	-5.0 ↓
Sidi Kerir/W Med (135 000)	WS 150.0	-15.0 ↓

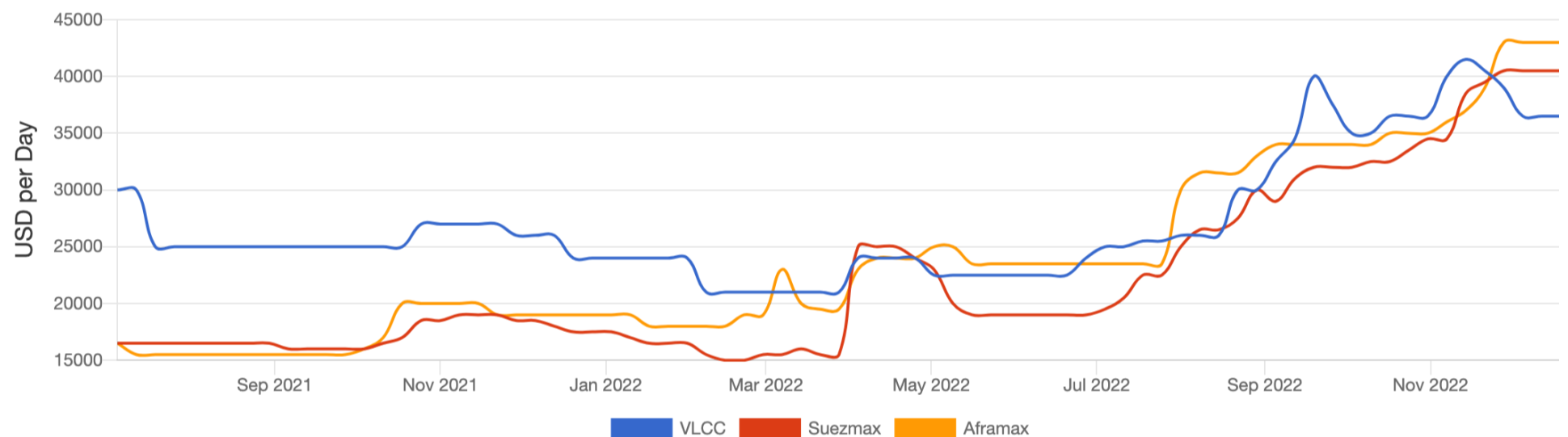
N. Afr/Euromed (80 000)	WS 192.5	-37.5 ↓
UK/Cont (80 000)	WS 200.0	-15.0 ↓
Caribs/USG (70 000)	WS 180.0	-52.5 ↓

1 Year T/C (USD/Day)

VLCC (Modern)	\$35000.0	-\$1,500 ↓
Suezmax (Modern)	\$39500.0	-\$1,000 ↓
Aframax (Modern)	\$43000.0	\$0 →

VLCC

VLCCs fixed in all areas last week	46	-1 ↓
VLCCs available in MEG next 30 days	155	-6 ↓

1 Year T/C Crude**Dry Bulk****Comments****Capesize**

After a relatively inactive Christmas period in terms of fixing activity, the year starts off with rates coming off; for the c5 West Australia route, levels are in the low 7s and c3 well below the 20 mark. Average Cape index is presently 12,500, more or less as expected. We are looking forward to a new year, where expectations to the first part are rather low, whilst the general sentiment is rather positive to the second half of the year.

Panamax

It's normal for market activity to be slower after holidays, as many people are returning to work and may not be fully back in the swing of things yet. First index day 3 of January is showing a negative market with little activity.

Supramax

The mixed market for Supra and Ultra segments with rates obviously slowed down in both basins. Last week we saw an improvement in the Pacific due to the substantial volume of cargo ex-Nopac and ex-Australia submerged and helped to maintain steady earnings. This week Europe is still partly on holiday and the upcoming Russian Orthodox Christmas, adds to limited trading. We see rates falling in all basins.

All major loading areas in the Atlantic lack cargo inquiry. The Continent and Baltic region suffer the most due to the cold weather and limited cargo volume ex Russian territories. Ultramax fixed with grain cargo delivery Continent to West Africa at USD 15,000 pd. USG and USEC is stable with rates slightly down from last weeks; mv Seaboss 55,426 dwt dely SW Pass prompt trip via Mississippi River redely Morocco USD 19,750 pd.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	\$31,188	-\$17,937 ↓
Australia – China	\$7.2	-\$1.9 ↓
Pacific RV	\$7,659	-\$8,909 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	\$14,555	-\$3,270 ↓
TCE Cont/Far East	\$21,532	-\$2,527 ↓
TCE Far East/Cont	\$7,136	-\$1,086 ↓
TCE Far East RV	\$9,190	-\$1,357 ↓

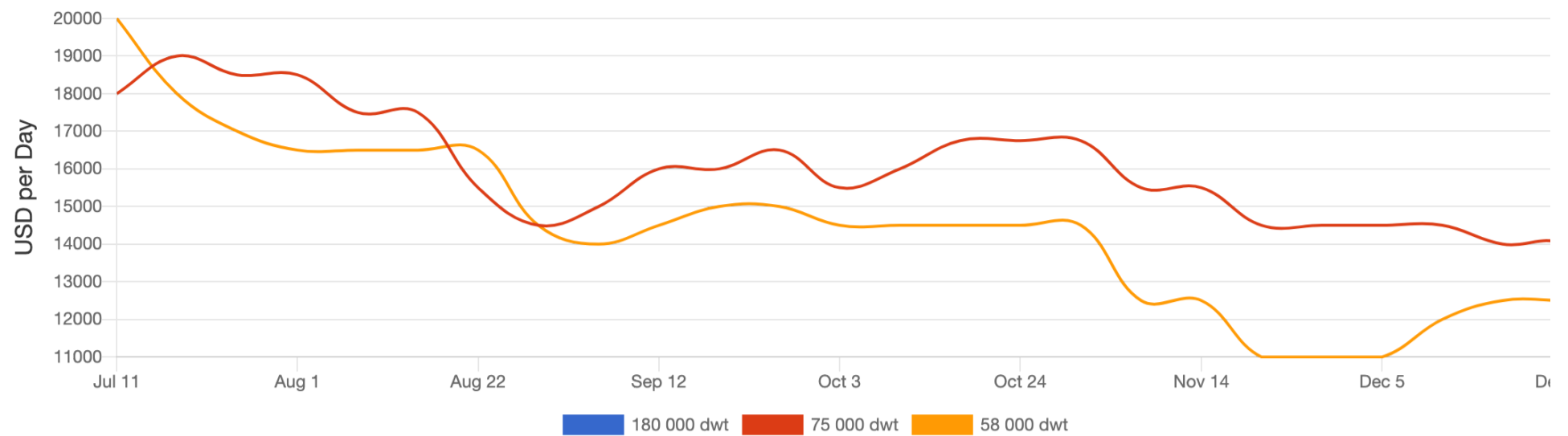
Supramax (USD/Day)

Atlantic RV	\$14,536	-\$3,375 ↓
Pacific RV	\$6,250	-\$1,638 ↓
TCE Cont/Far East	\$17,650	-\$925 ↓

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	\$18,500	\$0 →
Capesize (180 000 dwt)	\$14,500	\$0 →
Kamsarmax (82 000 dwt)	\$14,000	-\$1,500 ↓
Panamax (75 000 dwt)	\$12,500	-\$1,500 ↓
Ultramax (64 000 dwt)	\$15,000	\$0 →
Supramax (58 000 dwt)	\$12,500	\$0 →
Baltic Dry Index (BDI)	\$1,176	

1 Year T/C Dry Bulk



Gas

Chartering

EAST

With first Baltic posting since 23rd December there was a large correction both East and West yesterday causing the daily TCE to fall from approximately USD 100k to below USD 70k in almost two weeks' time. Freight ideas keep coming off and last done in the MEG was concluded at around USD 90 rt/c. We have still 'only' seen 11 spot deals concluded in January from the Middle East, but we expect to see more activity in the days to come with more people back from holidays.

WEST

The western market has not fully awakened just yet as players still slowly coming back from the holidays, and with the sentiment softening some charterers seems comfortable waiting, but we have still seen a few deals been done. Currently we count a total of 25 spot fixtures so far in January - 11 in the first decade, 10 in the second and only 4 in the last. The last couple of open ships left in January will soon be absorbed before fixing focus fully shift towards early February. We have already seen 6 spot fixtures done this period. There are still a handful of relets available first decade Feb in addition to a few, pure shipowner vessels. Last done fixture concluded at around USD 130 H/C.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	\$2,200,000	-\$800,000 ↓
LGC (60 000 cbm)	\$1,500,000	-\$500,000 ↓
MGC (38 000 cbm)	\$1,200,000	-\$100,000 ↓
HDY SR (20-22 000 cbm)	\$800,000	\$0 →
HDY ETH (17-22 000 cbm)	\$875,000	\$0 →
ETH (8-12 000 cbm)	\$520,000	\$0 →
SR (6 500 cbm)	\$470,000	\$0 →
COASTER Asia	\$270,000	\$0 →
COASTER Europe	\$370,000	\$20,000 ↑

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	\$520	-\$40 ↓
Saudi Arabia/CP	\$590	-\$60 ↓
MT Belvieu (US Gulf)	\$410	\$43 ↑
Sonatrach/Bethioua	\$560	-\$12 ↓

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	\$540	-\$26 ↓
Saudi Arabia/CP	\$605	-\$45 ↓
MT Belvieu (US Gulf)	\$470	\$31 ↑
Sonatrach/Bethioua	\$580	-\$10 ↓

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	\$150,000	-\$5,000 ↓
West of Suez 155-165 000 cbm	\$120,000	-\$30,000 ↓
1 Year T/C 155-160 000 cbm	\$171,000	-\$2,000 ↓

Newbuilding

Activity Levels

Tankers	Slow	Slow
Dry Bulkers	Slow	Slow
Others	Moderate	Moderate

Prices

VLCC	\$121.0	\$0.0 →
Suezmax	\$81.0	\$0.0 →
Aframax	\$63.5	\$0.0 →
Product	\$43.5	\$0.0 →
Newcastlemax	\$66.0	\$0.0 →
Kamsarmax	\$37.5	\$0.0 →
Ultramax	\$35.5	\$0.0 →

LNGC (MEGI) (cbm)	\$240.0	\$0.0 →
-------------------	---------	---------

Sale & Purchase

Prices

Dry (5 yr)

Capesize	\$43.0	\$0.0 →
Kamsarmax	\$29.5	-\$1.5 ↓
Ultramax	\$29.0	\$0.0 →

Dry (10 yr)

Capesize	\$29.0	\$0.0 →
Kamsarmax	\$23.0	\$0.0 →
Ultramax	\$22.5	\$0.0 →

Wet (5 yr)

VLCC	\$91.0	\$0.0 →
Suezmax	\$63.0	\$0.0 →
Aframax / LR2	\$57.0	\$0.0 →
MR	\$40.0	\$0.0 →

Wet (10 yr)

VLCC	\$68.5	\$0.0 →
Suezmax	\$47.0	\$0.0 →
Aframax / LR2	\$43.0	\$0.0 →
MR	\$30.0	\$0.0 →

Market Brief

Exchange Rates

USD/JPY	118.50	2.53 ↑
USD/KRW	1235.50	7.25 ↑
USD/NOK	9.24	-0.01 ↓
EUR/USD	1.10	0.00 ↓

Interest Rates

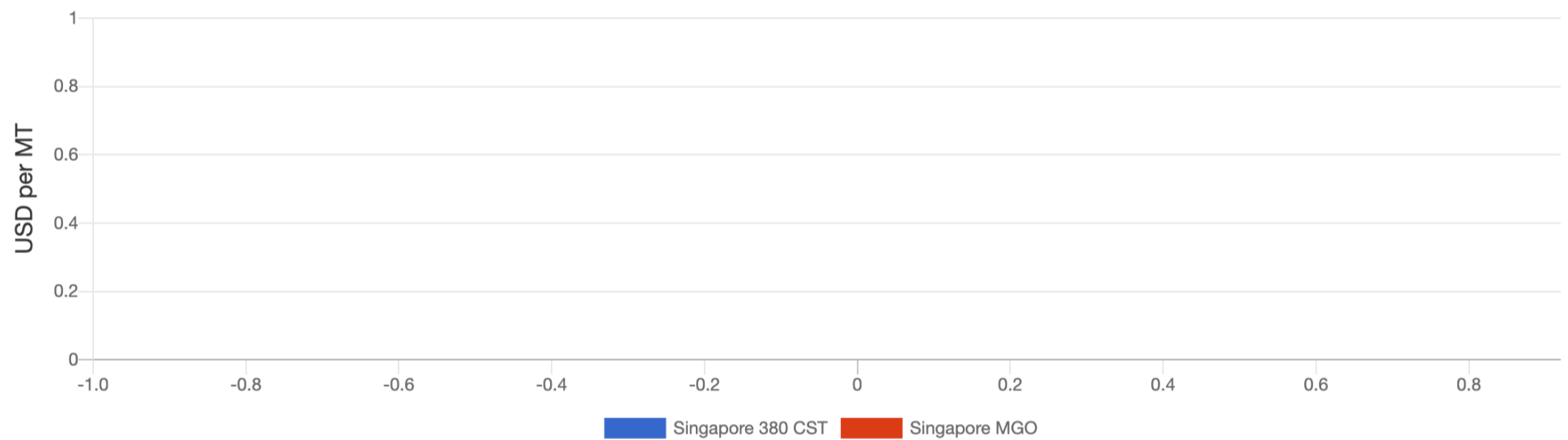
LIBOR USD (6 months)	5.14%	-0.01% ↓
NIBOR NOK (6 months)	3.12%	0.00% →

Commodity Prices

Brent Spot	\$82.00	-\$4.00 ↓
-------------------	---------	--------------

Bunkers Prices

Singapore 380 CST	\$408.0	\$0.0 →
Singapore Gasoil	\$926.0	-\$10.0 ↓
Rotterdam 380 CST	\$389.5	-\$70.0 ↓
Rotterdam Gasoil	\$898.0	-\$7.0 ↓



All rates published in this report do not necessarily reflect actual transactions occurring in the market. Certain estimates may be based on prevailing market conditions. In some circumstances, rates for certain vessel types are based on theoretical assumptions of premium or discount for particular vessel versus other vessel types.

[Disclaimer](#)